

Good Morning!

Thank you for joining in this collaborate effort to speak out against cuts against Medicaid. My name is Karen Oberg. I am an occupational therapist in Missoula. I own a small business, O Therapy Services. I share space and collaborate with other small therapy businesses to help share the cost of equipment, supplies and rent so that we can provide higher quality integrated care. Integrated TherapyWorks is home to 14 therapists currently who will be impacted by these cuts. Fourteen! I realize that is less than a larger hospital, but still 14 families will be impacted by these cuts. Personally, my past and present work includes a significant amount of clients who utilize Medicaid Plus, the Healthy Montana Kids Program and some who have Medicaid expansion. Over 90% of my clients are children and over 70% of my clients have Medicaid due to low income and/or disability. The remaining 30% have Healthy Montana Kids, also managed by DPHHS or private insurance.

Occupational Therapy not only improves the quality of one's life, but has proven its effectiveness as a long term cost saving approach. In the long term, it enables children and adults to gain independence, either return to jobs or to gain skills for employment, function more independently in school, for the elderly to live at home longer, all reducing costs and saving Montanans money by decreasing costs in other areas.

I readily acknowledge that Montana is hurting financially. Decreasing providers income will only hurt Montanans and the

economics in the state. We need to use higher complex thinking. Cutting payments to providers only appears to be a simple solution, however it comes with poor long term costs to the very people we care about, our friends and families who for one reason or another have an unfortunate disability or have low income. We know from experience when we cut costs now, it comes with a higher cost later. Not only will it decrease the ability for those to get care, it will decrease salaries for providers, who help contribute to the economy of Montana.

Why will this impact us as providers?

There are many, many reasons: Here are a few:

- Hospital's costs are already typically higher than the amount being reimbursed

Many are already operating in the negative operating margin

- Small business clinics may have to choose between keeping their doors open by not taking Medicaid clients or limiting the number of Medicaid clients they see

- Providers will likely increase their rates impacting those with private insurance to compensate for their loss of income.

- Many mental health clinics and psychiatric clinics may also close their doors leaving many without care causing undue stress to individuals with mental illness and their families

- Quality therapists and providers may move out of state to find better paying jobs. Currently, the salaries of Montana occupational therapists falls at the bottom so decreasing the rates will effectively decrease salaries

-Without competitive salaries, Montana will not attract quality providers falling further behind in our skilled care for Montanans

DPHHS continues to make questionably poor decisions impacting our Montanan families and do not appear to be sustainable to our state. For example,

DPHHS has been employing BCBS as a third party to manage our Healthy Montana Kids program. Currently, BCBS of New Mexico manages Montana HMK, which is a recent transitioned from BCBS of Illinois. Did you know that BCBS of New Mexico gets to decide if a child gets therapy services here in Montana on HMK? As a provider, I have added many hours of unpaid time to fight these denials for kids on HMK, a cost to my small business as well as a cost to my clients, some of whom never could get therapy. Have you ever called a company to be put through to another person, yet transferred to another person, and so on? I have had this experience many times trying to communicate with HMK. They say you can set up a peer to peer review, but it is on their schedule and it is extremely difficult to get a hold of them to set it up. Although our state has Brandon's bill that requires private insurance to cover the costs of those with Autism, this is a loophole that allows them to deny our Montanans with HMK coverage for needed therapy. This set up with a third party has allowed BCBS to deny those with Autism and other chronic disabling conditions to be frequently denied therapy services. If BCBS denies services, who saves money? I question this...is it Montana or is it BCBS of New Mexico/Illinois. HCSC, or

Healthcare Service Corporation manages BCBS of Montana, Illinois and New Mexico among other states. In 2014, the CEO compensation package was worth 11.7 million dollars. Why did our state hire an outside for-profit to manage our children and not take care of our own? I've heard this may be changing and we may again manage the HMK system, but I'm unsure. And why was this allowed to happen in the first place?

I am an occupational therapist that works with Montana families. As a small business owner, I am barely making it. My employees have the bare bones of benefits. I can not give them health insurance, or a retirement plan. 3.5% may seem small, but it is substantial to my clinic, my colleagues and to our hospitals across the state.

This would be a short term solution with negative long term impact. We need higher complex and creative thinking and this is not the solution.